App. F. IX-4

1939.
(Seri.)

File No. 63-39
Serial Nos. 17 & 19

Previous References
Seri 63-39 Sls 1-4

Please

Later References.
Seri 12-41-1,2

GENERAL AND REVENUE SECRETARIAT.

D

Serial Nos. 2 ,

Part B for May 41.

SUBJECT.

Mysore Spun Silk Mills Ltd. — Cash credit loan from the Imperial Bank of India

19) D. 5977/d. 13-5-41.

To

WD 0573—GPB—22,500—12-9-39

The Chairman S.S. Mills.

(3)S/(E)

States that it is not possible to waive the guarantee Commission even for a limited period but as a special case Govt. are willing to charge a Commission of only 1/4 %.

M. Chandrasekhara.
26/5

Financial help to the Mysore Spun Silk Mills Ltd by the Imperial Bank of India

General and Revenue Secretariat | Fin. | File No. 63 of 1939. | 4393/4394 | [App. F. III-2

Serial No.	
17	Letter No 229 dated 21st April 1941 from the Chairman, the Mysore Spun Silk Mills Ltd requesting that the Mills may be allowed to obtain a cash credit loan of Rs 2½ lakhs from the Imperial Bank of India, B'lore, at 3% per annum on the guarantee of Govt.
flag V	1) On G.O. No. D 5323-25/Fin 63-39-4 dated 20-5-40 a temporary cash credit loan of Rs 2½ lakhs was sanctioned as a special case to the Mysore Spun Silk Mills Ltd subject to the payment of interest at 3½% per annum. It is reported that the Imperial Bank of India, B'lore, has offered to grant a cash credit loan of Rs 2½ lakhs or more to the Mills at 3% per annum on the guarantee of Govt. The Mills will be able to save half a percent per annum. Govt standing guarantee for the loan is a point for consideration. Moreover, the Chairman's request that no Commission need be charged by the Govt on the guarantee is also a point for consideration. Fin. Secy. has to be consulted. Submtd for orders.
	2) The proposal may perhaps be examined in the Fin Branch.
	3) For favour of general orders
	Dcby)
	4) for favour of advice
	P. T.O

J.O.N. 5935 28 APR 1941

SECY. DEPT. 28 APR. 1941 MYSORE

NOTE—Contn. Sheet.

Mysore Spun Silk Mills — Cash credit loan from the Imperial Bank of India

4393

Secy. File No. 63 of 1941. | General and Revenue Secretariat

Serial No.

5) I am not in favour of granting the guarantee even for a limited period in respect of such new industrial concerns. If in view of the losses sustained & the basic nature of the Silk industry in the light of the rural agricultural conditions of the need to keep Sericulture Silk Cocoon rearing alive, it is considered that some Concession is called for, it may be confined to charging a guaranteeing Comn of ½ p.c for two years in stead of ¾ p.c as a special case & not be granted for other cases.

29.4.41

29/4

6) 29/4

I Member)

7) 3/5/41

3/5

8) Draft letter submtd

5/5/41

9) For favour of approval

10) 5/5/41

Dewan)

11) 9-5-41

10/5/41

Mr. Comes is in accordance with Dewan's opinion. Draft placed below.

For perusal

14/5

15/5/41

15/5

Issue

(The words "for a period of two years" may be added)

OFFICE OF THE FIRST MINISTER OF COUNCIL
APR 30 1941
No. 11145

SECY. DEV. DEPT. GOVT OF MYSORE

TYPING SECTION
12 MAY 1941
GEN. & REV. SECTT.

Rs. 3 3 0

Serial No.

19

To

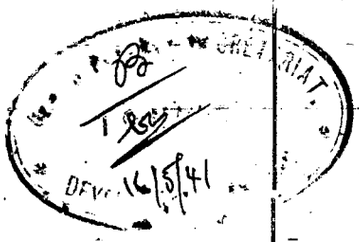
The chairman Mys. Spun Silk Mills

D 5977/d 13-5-41

States that it is not possible to ~~Govt~~ waive the guarantee Commission even for a limited period, but as a special case Govt. are willing to charge a Commission of only ¼ %.

D ~~Secy~~ D 5978/d 13-5-41

Copy to Comptr. Euro 7 D.



NOTE—Contn. Sheet.

Seri. 63-39-17

THE MYSORE SPUN SILK MILLS, LTD.

RAJASABHABHUSHANA DIWAN BAHADUR
K. R. SRINIVASIENGAR, M.A.,
(RETIRED MEMBER OF MYSORE EXECUTIVE COUNCIL)
CHAIRMAN.

FIFTH ROAD, CHAMARAJPET,
BANGALORE CITY,

Date 21st April 1941.

No. 229.

To

The Secretary to the Government of
His Highness The Maharaja of Mysore,
Development Department,
BANGALORE.

DEV. DEPT. 27 APR. 1941 4393
DEV. DEPT. 22. APR. 1941 MYSORE

Sir,

Adverting to Government Order No.D.5323-25/Seri 63-39-4 dated the 20th May 1940 sanctioning a cash credit loan of Rs.2½ lakhs to this Mills for one year at 3½% interest per annum, I have the honour to state that the relative mortgage bond in respect of the loan was executed in favour of the Government and registered on 8th July 1940. The loan becomes therefore repayable on the 8th July of this year as per Clause 6 of the Mortgage Deed. It is not, however, found possible to repay the loan within the abovementioned date in the present condition of the Company, which is clearly explained in my speech at the General Meeting of the Company held on the 18th instant, a copy of which together with a copy of the Directors' Report and Balance Sheet of the Company for the year 1940 is herewith enclosed for perusal of Government.

2. In this connection, a confidential communication having been received by me from the Agent of the Imperial Bank of India at Bangalore (a copy of which is herewith attached) offering to grant a cash credit loan of Rs.2½ lakhs or more to the Company on the guarantee of Government, the matter was considered by the

Board

Board of Directors of the Company at their meeting held on the 18th instant. A copy of the resolution of the Board on the subject is herewith submitted. If the offer of the Imperial Bank is accepted the Company will be able to save half a per cent per annum (i.e., Rs.1,250/- on the total loan of Rs.2½ lakhs) in the interest which it is now paying to Government, provided the Government are graciously pleased to guarantee the loan which may be advanced by the Bank, without charging any commission therefor; and this saving will be of appreciable help to the Company in its present condition, with the heavy loss that it had to incur last year owing to the unexpected and unavoidable adverse circumstances set out in my speech referred to above.

3. The establishment of this Mills was intended solely for the benefit of the large number of sericulturists who had been hit hard by not having an outlet for their by-product viz., silk waste. This object of Government has been fully achieved now since the ryots are getting an equitable price for their wastes. While myself and my colleagues on the Board are conscious of the generous support and encouragement which the Company has always been receiving from the Government, and are deeply grateful to them therefor, we request that the small additional concession now prayed for—of the Government guaranteeing, without charging any commission therefor, the loan which the Imperial Bank has offered to advance to us at a lower rate of interest—may be kindly sanctioned by Government. The waiving of the commission for the guarantee may, if the Government are so pleased, be sanctioned temporarily for a period of two years only, by which time it is hoped that the Company would be able to recoup its previous

losses

losses and begin to earn a profit. The hypothecation of all the assets of the Company which has been made by it in favour of the Government may, if the Government wish it, continue during the period of the guarantee of the loan, as under this arrangement the Government will not be taking any risk whatever by guaranteeing the loan.

In the above circumstances, I request that the Government may be pleased to allow the Company to obtain the cash credit loan of Rs. 2½ lakhs from the Imperial Bank on the terms mentioned in the letter of the Agent of the Bank on the guarantee of Government, without any commission being charged by the Government on the guarantee.

I have the honour to be,

Sir,

Your most obedient servant,

RS

CHAIRMAN.

Resolution No.6 passed at the meeting of the Board of Directors of the Mysore Spun Silk Mills Ltd., Channapatna, held on the 18th April 1941.

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* * * * *

6. Subject: Renewal of the cash credit loan of Rs.2½ lakhs obtained from the Government which becomes due for payment on 8th July 1941.

After discussion, the Board was of opinion that since it was not possible for the Company to repay the loan for the present by the issue of the uncalled shares out of the authorised capital, it was necessary to continue the loan.

The Chairman placed before the Board the communication he had received from the Agent, Imperial Bank of India, Bangalore, offering to advance a cash credit loan of Rs.2½ lakhs or more to the Company at half a per cent below the Bank rate (which works out to 3% for the present) provided the advance was guaranteed by the Government. The Board were of opinion that the terms offered by the Imperial Bank of India were advantageous and might be accepted if the Government would be pleased to give the guarantee required by the Imperial Bank, without charging any commission for the guarantee.

It was accordingly resolved as follows:

(i) That the terms and conditions under which the Imperial Bank of India was prepared to advance a cash credit loan of Rs.2½ lakhs or more, as set forth in the Bank's confidential letter dated 9th April 1941 addressed to the Chairman of the Mills, be accepted and that the Mysore Spun Silk Mills, Ltd., do open a Cash Credit Account with the Imperial Bank of India to the extent of Rs.2½ lakhs at present, provided the Government are pleased to guarantee the loan without charging any commission for the guarantee;

(ii) That the Chairman and Manager be authorised to sign and execute all the necessary Demand Promissory Note and other documents in favour of the Imperial Bank of India;

(iii) That the Chairman be requested to address the Government to give the guarantee required by the Imperial Bank of India to this Mills without charging any commission therefor in view of the present conditions of the Company which is still working at a loss and also in view of the adverse circumstances which have retarded the progress of the Company in the initial stages;

(iv) That in case the Government were not prepared to give the guarantee to the Company as requested above, the Chairman be authorised to request the Government to extend the period of the cash credit loan sanctioned by Government for a period of another year from 8th July 1941.

* * * * *

" Copy "

Chairman.
Mysore Spun Silk Mills Ltd.

RS

Letter marked "Private & Confidential" dated 9th April 1941 from the Agent, Imperial Bank of India, Bangalore, to Rajasabhabhushana Diwan Bahadur Mr. K.R. Srinivasiengar, M.A., Chairman, Mysore Spun Silk Mills Ltd., Bangalore City.

"With reference to my Head Cashier Mr. M. Raja Rao's call on you, I confirm that this Bank will be pleased to consider granting your Company a Cash Credit of Rs.2½ lacs or more, secured by the hypothecation of the floating assets of your Company provided the advance is guaranteed by Mysore Government. The rate of interest to be charged on the account will be ½% below Imperial Bank of India Advance Rate, minimum 3% per annum. The formalities to be observed in putting through the business with the Bank are as follows:

2. (1) The passing of the necessary resolution by the Company to open a Cash Credit account with the Bank to the extent of Rs.2½ lacs, subject to the Government's guarantee.

(2) The execution of a Demand Promissory Note for Rs.2½ lacs by the Company in favour of the Mysore Government and endorsed by the latter to the Bank.

(3) The execution of Cash Credit Form 'I' (Special) by the Mysore Government.

(4) The execution of a Special Cash Credit Hypothecation Agreement for Rs.2½ lacs in respect of the stocks, book debts and floating assets of the Company.

(5) The execution of Form IX by the Company allowing registration by the Bank of a charge in respect of the floating assets with the Registrar of Joint Stock Companies in Mysore State, Bangalore.

(6) The release of existing charges, if any, created over the Company's floating assets, in favour of the Mysore Government or others and acquiesced in by them.

3. A specimen copy of each of the above forms (2 to 5) is enclosed for your perusal and return. Duplicate of the original forms after execution will be forwarded to you for record. These forms with slight modifications have been taken from Companies in this State to whom we have advanced. These forms require to be stamped but the relative value will not exceed Rs.5/- in all.

4. The Cash Credit is subject to renewal each half year as under the rules of the Bank no advances can be outstanding

for

for more than six months. If the Cash Credit account is conducted satisfactorily, the renewal is merely formal.

5. In your case no margin will be stipulated as hypothecation is only ~~xpx~~ supplemental and drawings will not be regulated by the value of the stocks. You will therefore be able to utilise the Cash Credit limit to the fullest extent when necessary.

6. As the advance is subject to Government's guarantee, the usual inspection by the Bank of the stocks at the Company's factory premises will be waived but a monthly statement of stocks, etc., should be submitted by you for our record.

7. I shall be much obliged if you will please arrange with the Government for the transfer of the advance from them to the Bank and also to extend their guarantee.

8. If there should be any point on which further elucidation is necessary, either I or my Head Cashier will be pleased to call on you on any day after the 14th instant."

" Copy "

Chairman,
Mysore Spun Silk Mills Ltd.

RS

[illegible]

[illegible]

The notice convening the General Meeting was read by the Manager.

In selecting the share-holders to the Fourth Board of the Company Rajakabhabhushana Diwan Bahadur T. [illegible] Venkatanger, Chairman of the Company spoke as follows:

I am indeed glad to have the privilege of welcoming the shareholders of the Mysore Lac Silk Mills Ltd., to the Fourth Annual General Meeting of the Company. Addressing you at the General Meeting last year, I referred to the great and irreparable calamity that had befallen the State of Mysore by the death of our beloved Yuvaraja, His Highness Sir Nalvadi Krishnaraja Wodeyar Bahadur. Since then the State has had the misfortune to sustain a still greater calamity in the death of our great and beloved ruler, His Highness Sir Krishnaraja Wodeyar Bahadur. His Highness was really a father to his subjects. He was the embodiment of all kindly virtues and was held in great admiration, esteem and reverence in India, I may say the whole world, as much for his [illegible] talents and his solicitude for the welfare of his subjects, for the saintliness of his character. We have particular reason to be grateful to His Highness for the interest taken by him in our Company by graciously laying the foundation stone of this Factory, in the year 1937; and the words of encouragement and hope that he spoke on the occasion are still ringing in the ears of each of us who had the good fortune to be there present. While mourning his death along with the whole State, we are thankful to providence that his place on the Throne of Mysore has been taken by one who, even as a boy endeared himself to everybody by his charming personality, winning manners, and his noble qualities of head [illegible]

who, with the high and liberal education that he has receive
and the knowledge that he has got of the working of all depart
ments of administration in the State, is sure to be a worthy
successor to his great illustrious uncle. It may interest you
to know that His Highness was pleased to do us the honour of
paying a visit to our factory in the month of December 1939
acquaint himself with its working. I request you all to join
me in wishing His Highness Sri Jayachamaraja a long life and
long life and every happiness and a distinguished and glorious
reign over his loyal subjects in Mysore.

From the audited Balance Sheet with the Profit and Loss
account and the Directors' Report for the year ending December
last which has been placed in your hands, you would have noticed
with some amount of concern that the working of the Company
during the past year has resulted in a loss of Rs.35,000, even
without making provision for depreciation. Speaking to you
at the last General Meeting held in March 1940, I referred to
the net profit of about Rs.10,000 which the Company had made in
the previous year and observed that "Now that the factory has
practically turned the corner and commenced to work at a profit
it is hoped that further steady progress will be made and that
unless we are confronted with unforeseen difficulties or trouble
it will be possible to show a substantial profit at the end of
the current year after making due provision for depreciation."
One of the difficulties and troubles that I had in my mind in
making the above observation was that caused by the ever-
growing increase in the price of the silk waste on account of
the heavy purchases of local waste made for export to foreign
countries by their agents in Madras at prices with which it
found impossible for us to compete. In giving expression to
concern felt by me and my brother Directors' over this
I then stated as follows:-

"In this connection, I wish to bring to your notice one
matter which is causing us some amount of concern during the
last month or two in connection with the successful working of
the factory; and that is, the abnormal increase in the price
of silk waste of every description. One of the chief objects
in view in starting this factory was to help the

agricultural industry in the State by enabling the cultivators to get a decent and price for their waste for which there was no local demand and which they were therefore forced to sell to foreign exporters for a nominal price. How successful we have been in achieving this object will be seen from the fact that whereas the price of the waste during the 5 years 1932 to 1936 prior to the establishment of the factory ranged from the nominal figure of nine pice to a maximum of three annas six pice per lb. the maximum went up to as much as 6½ annas during the past 3 years; and since January last it is further going up and it is now understood to be in the neighbourhood of ten annas per lb. -- a figure at which I am afraid it may not be possible to work the factory with profit unless there is a corresponding increase in the price of silk. We are considering the question of the action to be taken to have the price of the waste controlled so as to prevent, ensuring for the producer of the waste the benefit of the prices that may be obtained for the yarn, they may not, in their greed for immediate gain, raise the price to a figure which would make the successful working of the factory impossible (thereby killing, in the words of the proverb, the goose that lays golden eggs for them); and it is hoped that a satisfactory solution will be found with the sympathetic help and co-operation of Government".

Unfortunately our apprehensions about the difficulties caused by the high price of waste proved to be too true. All attempts made by us to bring down the price of waste either by having it controlled and regulated by our Government under the Defence of India Act or by having the import of waste to foreign countries completely prohibited by the Government of India proved unavailing, with the result that the price of the waste went on increasing from day to day till it reached the neighbourhood of Rs.0-12-0 per lb. Every annā of increase in the price of the waste meant an increase of 12½ rupees per lb. in the actual cost of production of silk yarn; and thus an increase of 4 to 6 annas per lb. in the price of the waste, the cost of production of the silk went up by 2 to 3 rupees per pound with a loss of an equal amount for every pound of silk produced by us, in the absence of any corresponding increase in the price of the silk. As our monthly production of yarn amounted to nearly 5,000 lbs. our monthly loss on account of the rise in the waste mounted up to a lakh. The Directors were faced with the alternative of either cutting down production as much as possible so as to minimise the loss or of completely stopping operations till matters improved. After a careful consideration of both alternatives, we decided that the latter alternative of suspending the activities of the

factory will be not only financially more disadvantageous but will also be disastrous in its consequences and we therefore decided to adopt the former course and carry on the business though at considerable loss in the hope that normal condition might soon be restored. Thanks, to God, our hopes were soon realised and with the entry of Italy into the war about July 1940, the imports of waste to Europe gradually declined and completely stopped in course of time and as a consequence the price of waste was gradually restored to its pre-war level.

By this time, however, a loss of Rs.49,300/- had been incurred in the first 8 months of the year. From September 1940, however, with the fall in the price of the waste and also amount of rise in the price of spun silk yarn the Factory again turned the corner and began to make a profit, so that the losses of the first 8 months were reduced by Rs.14,200 during the remaining 4 months of the year and brought down to Rs.35,000 by the end of December. Myself and my brother Directors are in full hope that, with the continuance of the present conditions, this loss of Rs.35,000 of the past year will be completely wiped out before the end of June next and that by the end of December next when the accounts of all the twelve months of the current year will be closed, we shall be able to show a substantial amount of profit, after making suitable provision for depreciation for the year.

I had referred in my address to you last year to the necessity that was felt by us to make some additional equipment to our plant in order to improve the yield of the yarn in respect of both quality and quantity. A set of Carding and Combing machinery at a cost of about Rs.35,000/- was accordingly ordered from England last year. Part of this has been already received in January last and has been installed and its use is said to have given satisfactory results. But in order that it may be of maximum utility, the other supplementary part has also to be obtained. We have just had intimation that it has been despatched from England and in the present war conditions it

perhaps take 2 or 3 months for us to get it. When it is also received and installed, substantial improvements are expected to be made in the quality as also the quantity of the yarn produced by us, effecting an appreciable reduction in the cost of production of the yarn.

To meet the cost of this additional equipment and also to make increased provision for working expenses which must necessitated by the rise in the price of the waste, we applied to the Bank of Mysore for a further loan of 1 lakh in addition to the 1½ lakhs that we had already obtained from them. But as the Bank was not inclined to give us this additional accommodation, we approached the Government of Mysore and they, in their solicitude for the welfare of the factory, were kindly pleased to sanction us a loan of 2½ lakhs at a lower rate of interest, from which we discharged the loan of 1½ lakhs that we owed to the Bank of Mysore and utilised the balance for the purposes I have mentioned. We cannot be sufficiently grateful to the Dewan and the Member of Council in-charge of the Industrial portfolio for thus coming to our help in our time of need thereby showing their interest in our Company.

PRODUCTION: Notwithstanding the curtailment in production during the year owing to causes which I have referred to earlier the factory produced during the year 58,335 lbs. of cotton yarn and 44,350 lbs. of noil yarn as against 44,000 lbs. of cotton yarn and 40,400 lbs. of noil yarn in the previous year. With the new Carding and Combing Plant which we are expecting to be soon received and set up, the production will further increase during the year 1941. All of our products have found a ready sale in the market. We have established contact and done considerable amount of business in the sale of Noils, with a respectable firm in England. We have received enquiries for spun yarn from Australia and are in hopes of doing profitable business there. We are also in correspondence with the Stores Department of Government of India for supply of our yarn for war purposes and we expect this to bring us some [illegible]

[illegible] business. We are also making attempts to [illegible] of useful and profitable utilisation of the [illegible] by making threads out of our own yarn.

I am glad to inform you that Government have sanctioned our establishment of a silk filature in the premises of our factory as an adjunct to it, in the first instance at a cost of Rs.75,000 for 24 basins in the first instance which will be increased to Rs.1 lakhs for 96 basins in the course of a year or two. Though it is treated a Government concern entirely financed by Government, its management has been entrusted to the Spun Silk Mills Ltd., for which the Company is to be paid a remuneration of Rs.300/- per mensem. The Spun Silk Mills have also been given the option of purchasing the filature at cost price if it is able to find the money therefor within a certain period.

It is quite natural that the shareholders of the Company (among whom, I include myself, holding as I do a substantial number of shares in the Company) should be impatient to get a return for their money and should feel disappointed at not having obtained any Dividend for the last year. I would request them, however, to bear in mind that our factory is the first of its kind in India and the machinery used by us is entirely new one for India and that a great deal of pre-production preparatory work had to be done in the erection and adjustment of the machinery and also in the training of the various operatives before we could commence production of yarns. The factory building was commenced only in March 1957, when His Highness Sri Jayachamarajendra Wadiyar Bahadur had graciously agreed to lay its foundation; and it took over a year for the construction of the building and also the erection of the entire machinery to be completed; and it was only about [illegible] that the machinery was set going. It took 1 to 1½ years after that for the training of the workmen to be completed so as to enable them to produce yarn of satisfactory quality to be placed in the market. In the beginning we started [illegible]

single shift and the working of the double shift was [illegible] only in 1939. In spite of the precautions which [illegible] by us to obtain from the suppliers of our machinery [illegible] as to the percentage of yarn which might be recovered from [illegible] waste, we are still not getting the promised percentage; our Superintendent Mr. Harold Pullman is using all his [illegible] and skill to make the necessary adjustments and improvements [illegible] the machinery to obtain better results from it. [illegible] these difficulties and also the other troubles that we had to contend against, as I have explained above, and in view of the fact that it is hardly 2½ years since the factory started work and hardly 1½ years since it began to be worked to its full capacity with double shift, we have no reason to feel [illegible] our production has steadily increased from year to year [illegible] 8,120 lbs. of spun yarn in 1938 to 44,000 lbs. in 1939 and 52,300 lbs. during the past year 1940; and our products are finding a ready sale. The first year of working - 1938, been one of experiment and training was bound to be [illegible] In 1939, we had turned the corner and made a small profit Rs.3,600/- though without making provision for depreciation. During the past year, we hoped to make substantial profits providing for depreciation; and if our hopes were not [illegible] it was due to the most extraordinary and unprecedented rise in the price of the waste to which I have referred. Now that the price of the waste has reached its normal level and that at the same time, there has been appreciable rise in the market value of our products, I have every confidence that the working of the current year 1941 will show a substantial profit and that [illegible] we meet for the next general meeting in 1942 we shall do so in an atmosphere of greater cheerfulness and satisfaction to the shareholders.

Before concluding, I wish to express my thanks to my colleagues on the Board for their cordial co-operation and to the Manager Mr. E. Shamsuddin Khan and to the Superintendent Mr. Pullman for the valuable work done by them. I desire [illegible]

express my appreciation of the loyalty and devotion [illegible] all the other members of the staff have discharged their [illegible].

I take this opportunity of once again expressing our [illegible]-tude to the Government of His Highness the Maharaja of [illegible] their unremitting solicitude for the success and welfare of this concern. Our [illegible] efforts thanks are also due to the [illegible]-in-ul-Mulk Sir Viraraghavachariar, K.C.I.E., M.L.A., [illegible] Rajamantrapravina Mr. K. Thiruvalangadu for their keen personal interest in the Factory and its successful working".

2. The Manager then read the Auditor's Report.

3. Mr. [illegible] Krishnaiah proposed that the Balance Sheet and Profit and Loss Account for the period ending 31st December 1940 together with the Directors' Report be adopted. [illegible] seconded the proposition.

The motion was put to vote and carried unanimously.

4. As no nominations had been received from any [illegible] candidates for election to the Directorate, the Chairman [illegible] Messrs. Lawrence Chinnappa and K. Subbarama Chetty be re-elected for another term.

5. The Chairman informed that a proposition had been received from Mr. [illegible] Balaji Iyer under Section 144 (6) of the Companies Act nominating Messrs. T.S. Subramania & Co., Chartered Accountants and Auditors, for the office of the Auditor of the Company for the year 1941. He enquired if any of the shareholders present supported the candidature of Messrs. Subramaniya & Co. As not even a single member came forward to support the candidate, the Chairman proposed the re-election of Mr. A.P. Ramiah, for the current year on the same remuneration of Rs.600/- and this was unanimously carried.

With a vote of thanks proposed to the Chair by Mr. [illegible] the meeting terminated.

K. CHANDRAN
Manager.

K. R. SRINIVASAN
Chairman.

Seri 63-39-17

28

THE MYSORE SPUN SILK MILLS, LTD.

RAJASABHABHUSHANA DIWAN BAHADUR
K. R. SRINIVASIENGAR, M.A.,
(RETIRED MEMBER OF MYSORE EXECUTIVE COUNCIL)
CHAIRMAN.

OFFICE OF THE
FIRST MEMBER OF COUNCIL
APR 22 1941
No. M 424

FIFTH ROAD, CHAMARAJPET,
BANGALORE CITY,

Date 21st April 1941.

No. 226.

Dear Mr. Madhava Rao

I enclose herewith, for your perusal, copy of a letter which I have addressed to the Development Secretary to Government in the matter of the repayment of the Government's cash credit loan of Rs. 2½ lakhs by obtaining a loan from the Imperial Bank of India at 3% per annum on the guarantee of Government. I shall be highly obliged if you will kindly have early orders of Government issued in the matter.

Yours sincerely,

Rajamantrapravina
N. MADHAVA Rau, Esq., B.A., B.L.,
Member of Council,
BANGALORE.

Appendix F G—1]

SUBJECT .....

.....

.....

Section Gen

File No. 63-39.

Serial No. 19.

Diary No. of letter replied to.....

No. D5977

To

The Chairman.,

The Mysore Spun Silk Mills Ltd

Bangalore City

General and Revenue Secretariat

( )

the *19* .

Date of issue..... 13/5/41

Signed by ..... M Gm

Sir.,

With reference to your letter No 229 dated 21st April 1941 requesting that the Mysore Spun Silk Mills may be allowed to obtain a cash credit loan of Rs 2½ lakhs at 3% per annum from the Imperial Bank of India on the guarantee of Govt, without any commission being charged for the guarantee, I am directed to state that Govt it is not possible to waive.

~~are not in favour of wholly waiving~~

List of enclosures.....

Copied by .....

Examined by .....

~~[illegible]~~

like gm. ! commission / even

for a limited period ~~in respect of such~~

but that in view of the Spl circs of year in both

~~new industrial concerns. In view [illegible] of the labour bylaws~~

~~and basic making of silk industry in the light of the rural agriculture~~

~~of the special consideration conditions~~

~~of the silk industry~~, Govt are ~~agreeable~~ willing

~~to~~ ~~as a special case~~ to charge a commission only

~~of~~ ¼ % . ~~instead of ½ %~~

I have etc

Dev. Secy

Memo. 5998

Copy of the above is forwarded

w/c to the Comptroller thro T.D.

for Dev. S

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

General and Revenue Secretariat.

No. 5977 / Ser-63-39-1

Dated, Bangalore, 13 May 1941.

FROM

The Secretary to the Government of His Highness the Maharaja of Mysore.
Development Department.

To

The Chairman,
The Mysore Spun Silk Mills, Ltd.,
Bangalore City.

S i r,

With reference to your letter No.229 dated 21st April 1941 requesting that the Mysore Spun Silk Mills may be allowed to obtain a cash credit loan of Rs.2½ lakhs at 3% per annum from the Imperial Bank of India on the guarantee of Government, without any commission being charged for the guarantee, I am directed to state that it is not possible to waive the guarantee commission even for a limited period, but that in view of the special circumstances of your industry, Government are willing to charge a commission of only 1%.

I have the honour to be,

Sir,

Your most obedient servant,

Sd/- M. VENKATESA IYENGAR.

SECRETARY TO GOVERNMENT,
DEVELOPMENT DEPARTMENT.

TN-5)

Memo No.D. 5978
Dated, Bangalore, the 13 May 1941.

Copy of the above is forwarded with compliments to the Comptroller to Government through Financial Department.

For Secretary to Government,
Development Department.

Seri.63-39-2

THE MYSORE SPUN SILK MILLS, LTD.

RAJASABHABHUSHANA DIWAN BAHADUR
K. R. SRINIVASIENGAR, M.A.,
(RETIRED MEMBER OF MYSORE EXECUTIVE COUNCIL)
CHAIRMAN.

FIFTH ROAD, CHAMARAJPET,
BANGALORE CITY.

297 BA

DEVY. DEV. DEPT. 26 MAY 1941 GC YSC

SECRETARIAT. 27 MAY 1941 5078 DEVELOPMENT

Date 23rd May 1941.

The Secretary to the Government of
His Highness the Maharaja of Mysore,
Development Department,
BANGALORE.

Sir,

flag X.

I am in receipt of your letter No:D.5977/Seri.63-39-19 dated the 13th May 1941 stating that it will not be possible to waive the commission on the guarantee required from Government for obtaining a cash credit loan of Rs.2½ lakhs from the Imperial Bank of India, but that in view of the special circumstances of the spun silk Industry the Government would be pleased to charge a commission of only ¼%. I request you to kindly convey the thanks of this Company to the Government of Mysore for their kindness in agreeing to give the necessary guarantee to the Imperial Bank of India and for the reduced rate of commission.

DEVY. DEPT. 31 MAY 1941 GOVT OF MYSORE

In the circumstances, we accept the terms offered by Government. I am taking further action with the Imperial Bank of India for obtaining the loan of Rs.2½ lakhs and repaying the Government loan therefrom.

I have the honour to be,
Sir,
Your most obedient servant,

CHAIRMAN

KRS:TSS.

A

Submitted for Perusal.
30/5/41

2983

GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE.

General and Revenue Secretariat

Requisition for papers

Section Seri.

A

B

Filed

Deposit No.

File No. 129-41

Serial No. 4-6

For Diary No. for Asst. Sec's reference of 19

Signature K Mamulappa

Branch Dfc

Section Seri.

Date 31/8/41

6857

GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE.

General and Revenue Secretariat

Requisition for papers

Section Sec

A

B

Filed

Deposit No.

File No. 143-41

Serial No. 11

For Diary No. 1814 of 1945

Signature KM Ramakrishnaiya

Branch

Section Cos

Date ~~12/11/45~~

30/11/45